

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

2521
A 2054
C3



United States
Department of
Agriculture

Office of the
Secretary

Office of the
Chief Financial
Officer

Secretary's Management Report to Congress

USDA
NAT'L AGRIC LIBRARY
1998 JAN -7 1P 8:55
CURRENT SERIAL REC
ACQ/SERIALS

April 1, 1997 - September 30, 1997

Volume 17

Management Actions

Taken on Audit Recommendations

P.L. 100-504

U.S. Department of Agriculture

SECRETARY'S MANAGEMENT
REPORT
TO CONGRESS

APRIL 1, 1997 - SEPTEMBER 30, 1997

Volume 17
Management Actions
Taken on Audit Recommendations
P.L. 100-504

TABLE OF CONTENTS

Executive Summary	1
Final Action on OIG Audit Reports With Disallowed Costs for the 6-Month Period April 1, 1997 - September 30, 1997	3
Final Action on OIG Audit Reports With Funds to Be Put to Better Use for the 6-Month Period April 1, 1997 - September 30, 1997	5
Audits Under Appeal or Legislative Solution	7
Agency Audits Without Final Action One Year from the Management Decision Date	Appendix A
Farm and Foreign Agricultural Service	
Farm Service Agency	A-1
Foreign Agricultural Service	A-14
Risk Management Agency	A-16
Food Nutrition and Consumer Service	
Center for Nutrition, Policy and Promotion	A-19
Food and Consumer Service	A-20
Food Safety	
Food Safety and Inspection Service	A-26
Marketing and Regulatory Programs	
Agricultural Marketing Service	A-27
Animal and Plant Health Inspection Service	A-28
Natural Resources and Environment Service	
Forest Service	A-30
Natural Resources Conservation Service	A-35
Research, Education, and Economics	
Agricultural Research Service	A-38
Cooperative State Research, Education and Extension Service	A-39
Rural Development	
Rural Business -- Cooperative Service	A-40
Rural Housing Service	A-41
Rural Utilities Service	A-50
Departmental Offices	
Office of the Chief Financial Officer	A-52
Office of the Chief Information Officer	A-57
Office of Human Resources Management	A-58
Office of Operations	A-60
Summary Totals	A-61

AGENCY ABBREVIATIONS

AMS	Agricultural Marketing Service
ARS	Agricultural Research Service
APHIS	Animal and Plant Health Inspection Service
CCC	Commodity Credit Corporation
CNPP	Center for Nutrition, Policy and Promotion
CSREES	Cooperative State Research, Education, and Extension Service
FAS	Foreign Agricultural Service
FCS	Food and Consumer Service
FS	Forest Service
FSA	Farm Service Agency
FSIS	Food Safety and Inspection Service
NFC	National Finance Center
NRCS	Natural Resources Conservation Service
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OGC	Office of the General Counsel
OIG	Office of Inspector General
OO	Office of Operations
PACC	Policy Analysis and Coordination Center
RBS	Rural Business - Cooperative Service
RHS	Rural Housing Service
RMA	Risk Management Agency
RUS	Rural Utilities Service

DEFINITIONS

Questioned Cost. A cost OIG questions because of:

- an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- a finding that, at the time of the audit, the cost is not supported by adequate documentation; or
- a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Disallowed Cost. A questioned cost that management sustains or agrees is not chargeable to the government.

Funds To Be Put To Better Use. A recommendation by OIG that funds could be used more efficiently if management took actions to implement and complete the recommendation, including:

- reductions in outlays;
- deobligation of funds from programs or operations;
- withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;
- costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee;
- avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or
- any other savings which are specifically identified.

Management Decision. Management's evaluation of the audit findings and recommendations and the issuance of a final decision by management concerning its response to the findings and recommendations, including necessary actions.

Final Action. Final action means:

- the completion of all actions that management has concluded are necessary in its management decision with respect to the findings and recommendations included in an audit report; and
- in the event that management concludes no action is necessary, final action occurs when a management decision is made.

EXECUTIVE SUMMARY

Background

The Secretary's Management Report to Congress is required by the Inspector General Act Amendments of 1988. The Amendments require that the Secretary report on the status of management decisions and final actions taken on audit recommendations. This is the 17th report issued by the Department of Agriculture (USDA) and covers the 6-month period April 1, 1997, through September 30, 1997. The report reflects management's implementation of audit recommendations contained in audit reports issued by the USDA Office of Inspector General (OIG) and explains why action on audits remains incomplete one year from the management decisions. It complements the OIG Semiannual Report to Congress which includes data on audit reports issued and the status of management decisions made during this 6-month period.

Universe of Audits

Over the past 6 months, the Office of the Chief Financial Officer (OCFO) monitored and analyzed 486 audits with 3,767 recommendations. These audits contained approximately \$136,912,676 in costs that management determined should not be charged to USDA's programs (disallowed) and approximately \$1,385,275,487 in funds which management agreed could be used more efficiently (funds to be put to better use), as well as a number of non-monetary recommendations.

Final Actions

Management completed action on 106 audits. Of these audits, 52 had disallowed costs, 14 had funds to be put to better use, and 95 had non-monetary elements. Some of the 106 audits included elements from more than one of these categories.

Disallowed Costs - Management completed action on 139 recommendations which contained costs that should not be charged to USDA programs. As a result, \$4,715,063 was recovered in disallowed costs and \$1,650,060 was written off in funds that management determined to be uncollectible due to bankruptcies, excessive cost of collections, legal decisions, or terminations in program participation.

Funds To Be Put To Better Use - Management completed action on 23 recommendations with \$139,002,476 in funds they determined could be used more efficiently and determined that \$56,528 could not be used more efficiently.

Non-Monetary - Management completed action on 571 recommendations which were administrative in nature.

Audits Without Final Action

As of September 30, 1997, 380 audits containing approximately 3,034 recommendations are without final action. These audits contain \$129,490,128 in disallowed costs and \$1,246,273,011 in funds which management agreed could be put to better use.

One Year From Management Decision Date - Of the 380 audits, 174 do not have final action on the entire audit one year from the management decision. Explanations for these audits are contained in Appendix A to this report. Many of the management decisions to effect corrective action on these audits involve development of long-term automated system changes, regulations, and directives; legal implications; actions by non-USDA agencies; and time-consuming collection processes. Of the 174 audits, management has completed action on 906 recommendations which represents more than 50% of the total recommendations for these audits. 776 recommendations remain open. 195 audits have recommendations scheduled for completion within the one year period after management decision and, therefore, are not included in Appendix A.

Under Appeal or Legislative Solution - Of the 380 audits without final action, 11 audits containing 61 recommendations are either under appeal or require a legislative solution to effect final action. These audits involve \$5,271,014 in disallowed costs and \$402,495 in funds that could be put to better use. Although the appeal and legislative processes preclude final action on these audits in their entirety, management completed action on three recommendations containing \$184,152 in disallowed costs. Management also completed action on 19 non-monetary recommendations.

Format Change

The section on audits incomplete one year from the management decision date has been reformatted. This section list incomplete audits by Mission Area/Agency and audits are grouped under general subheading consolidating like reasons for incomplete final action. This approach makes the report more reader friendly and increases its usefulness as a management tool.

**FINAL ACTION ON OIG AUDIT REPORTS
WITH DISALLOWED COSTS FOR THE 6-MONTH PERIOD
April 1, 1997 - September 30, 1997**

For the current reporting period, the chart on the following page depicts the overall status of audits with disallowed costs. As of April 1, 1997, final action was in process but not completed on 182 audits with \$124,768,145 in disallowed costs. Management decisions were made during this period on 48 audits with \$12,144,531 in disallowed costs. Management implemented final action on 52 audits. As a result, \$4,715,063 which should not have been charged to USDA programs were recovered. Uncollectible debts in the amount of \$1,650,060 were written off due to bankruptcies, excessive collection costs, legal determinations, or terminations in program participation.

**Final Action on OIG Audit Reports
With Disallowed Costs
April 1, 1997 - September 30, 1997**

	Disallowed Costs	
	Number of Audit Reports	Dollars
A. Management decisions with no final action as of April 1, 1997	182 ¹	124,768,145 ²
B. Management decisions made during the period	48	12,144,531
C. Total management decisions (A + B)	230	136,912,676
D. Final action on audit reports	52	7,422,548
1. Recoveries		
(a) Collections		3,177,891
(b) Other		1,537,172
(c) Property in lieu of cash		
2. Writeoffs		1,650,060
3. Subtotal (1 + 2)		6,365,123 ³
E. Audit reports needing final action as of September 30, 1997	178	129,490,128

¹Increased by one audit due to miscount of audits by OCFO.

²Decreased OIG's agreed amount by \$120,082. OIG incorrectly input the amount.

³The OIG agreed amount of \$1,074,497 was decreased due to appeal reductions and a change in management decision. An increase of \$17,072 is due to interest on loans. This amount reflects a difference of \$1,057,425.

FINAL ACTION ON OIG AUDIT REPORTS
WITH FUNDS TO BE PUT TO BETTER USE FOR THE 6-MONTH PERIOD
April 1, 1997 - September 30, 1997

For the current reporting period, the chart on the following page depicts the overall status of audits with funds to be put to better use. As of April 1, 1997, final action was in process but not completed on 59 audits with \$1,367,081,795 in funds recommended to be put to better use. Management decisions were made during this period on 7 audits with \$18,193,692 in funds to be put to better use. Management completed final action on 14 audits. As a result, \$138,515,626 in funds was put to a better use, and \$56,528 could not be put to a better use.

**Final Action on OIG Audit Reports
With Funds To Be Put To Better Use
April 1, 1997 - September 30, 1997**

	Funds To Be Put To Better Use	
	Number of Audit Reports	Dollars
A. Management decisions with no final action as of April 1, 1997	59	1,367,081,795
B. Management decisions made during the period	7	18,193,692
C. Total management decisions (A + B)	66	1,385,275,487
D. Final action on audit reports	14	139,002,476
1. Value of recommendations implemented		138,515,626
2. Value of recommendations not implemented		56,528
3. Subtotal (1 + 2)		138,572,154 ¹
E. Audit reports needing final action as of September 30, 1997	52	1,246,273,011

¹This reflects a decrease to OIG's agreed amounts by \$430,322 due to documentation and appeal reductions.

AUDITS UNDER APPEAL OR LEGISLATIVE SOLUTION

April 1, 1997 - September 30, 1997

The table on the following page reflects 11 audits either under appeal or for which a legislative solution is necessary to effect final action. These audits contain 61 recommendations involving \$5,271,014 in disallowed costs and \$402,495 in funds to be put to better use. Although the appeal and legislative processes preclude final action on these audits in their entirety, management took action on three recommendations containing over \$184,152 in disallowed costs. Management also completed action on 19 non-monetary recommendations.

AUDITS UNDER APPEAL OR LEGISLATIVE SOLUTION APRIL 1, 1997 - SEPTEMBER 30, 1997

Agency	Administrative Appeal	Judicial Appeal	Legislative Solution	Disallowed* Costs (Dollars)	Funds To Be Put To Better Use (Dollars)
FSA	2	0	0	2,290,431	0
RMA	4	0	0	324,921	0
RHS	0	0	1	0	0
FCS	1	1	0	2,530,217	0
FS	0	1	0	0	402,495
NRCS	1	0	0	125,445	0
TOTAL	8	2	1	5,271,014	402,495

*Of this amount, action is complete on \$184,152.

**APPENDIX A: AGENCY AUDITS WITHOUT FINAL ACTION
ONE YEAR FROM THE MANAGEMENT DECISION DATE**

Agencies did not complete corrective action within one year on 174 audits, which contain 776 open recommendations. Agencies completed action on 906 recommendations, which represent more than 50% of the total audit recommendations. Audits included in the report for the period October 1, 1996, through March 31, 1997, are marked with an asterisk (*) and number 138. Some audits contain multiple recommendations affecting the completion of final action. These include complex automated system changes, collection activities, investigations, actions to be taken by organizations other than USDA, and other time-consuming corrective actions to implement the management decisions.

Following is a listing of individual audits without final action within one year from the management decision date. Items are detailed by specific agencies within each mission area. Audits involving multiple agencies, which are identified by an audit number beginning with "50", may be listed more than once. Also, for various reasons, the Agency occasionally discovers that the actual monetary amounts in question are greater or lesser than the amounts cited in the audit reports. In such instances, the revised amounts are reflected in the detailed listing and are accompanied by a footnote indicating the amount of the increase or decrease.

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FARM SERVICE AGENCY				
Receipt of Documentation for Collections: The following 37 audits have completed all administrative and corrective actions and are pending receipt of documentation which identifies full disposition of collection costs. The Agricultural Marketing Transition Act (AMTA) in the 1996 Farm Bill requires that AMTA contracts expire in seven years from the date of the Act, and most producers time their claim repayments with the AMTA payments which is September 30, 2003.				
1990-91 Disaster Payments for Nonprogram Crops, CA #03002-1-SF*	9/24/93	192,819 (34,943)	0	The audit has 13 recommendations of which 12 are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
1993-1994 Disaster Program - Nonprogram Crops, Columbia, SC #03004-2-AT*	3/20/96	247,876 ¹ (128,583)	0	The audit has two recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.

¹This amount reflects an increase of \$14,664 discovered by the agency.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Disaster Assistance Program, Nonprogram Crops, Sampson County Office, Clinton, NC #03006-3-AT*	6/5/95	267,005 (202,796)	0	The audit has five recommendations of which four are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
1993 Pecan Disaster Losses in Three Texas Counties #03006-3-TE	9/6/95	421,577 ² (398,666)	0	The audit has 16 recommendations of which 10 are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Uvalde County, TX #03006-4-TE	1/3/96	10,633 (10,633)	0	The audit has two recommendations which remain open. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Jefferson County, OK #03006-5-TE	3/15/96	41,080 (1,640)	0	The audit has three recommendations of which two are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.

²This amount reflects an increase of \$7,856 discovered by the agency.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Disaster Assistance Program, Franklin Parish, LA #03006-6-TE*	1/4/96	65,493 (21,764)	0	The audit has four recommendations of which two are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, McIntosh County, OK #03006-9-TE	3/15/96	55,444 (2,116)	0	The audit has four recommendations which remain open. Pending receipt of documentation which identifies full disposition of the disallowed costs.
1989 Emergency Crop Loss Assistance, Orleans County, NY #03012-2-HY*	8/1/91	146,284 (23,325)	0	The audit has four recommendations of which three are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Program - Nonprogram Crops, Grady County, GA #03097-3-AT*	11/18/93	227,532 (63,302)	0	The audit has two recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Program - Nonprogram Crops, Gilchrist County, FL #03099-1-AT	2/5/96	141,149 (140,964)	184,746 (0)	The audit has seven recommendations of which four are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Large Operator Compliance with Payment Limitation Provisions, Gray County, KS #03099-9-KC	10/12/95	388,193 ³ (321,580)	0	The audit has four recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
1988 Disaster Program, MI #03099-81-CH*	1/12/90	960,142 ⁴ (2,224)	0	The audit has 16 recommendations of which 15 are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Program - Nonprogram Crops, Thomas County, GA #03099-148-AT*	9/30/93	359,176 ⁵ (266,617)	0	The audit has two recommendations which remain open. Final action is delayed pending the outcome of court proceedings.
Disaster Program Payments, AK #03099-149-TE*	11/8/91	609,320 ⁶ (268,576)	0	The audit has two recommendations of which one is complete. Producers have entered into repayment schedules to liquidate outstanding claims.

³This amount reflects an increase of \$1,415 discovered by the agency.

⁴This amount reflects an increase of \$202,770 discovered by the agency.

⁵This amount reflects an increase of \$25,548 discovered by the agency.

⁶This amount reflects a decrease of \$16,033 due to an appeal reduction.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
1989 Cucumber Disaster Payments, TX #03099-150-TE*	11/21/91	1,106,666 (167,610)	0	The audit has 12 recommendations of which 9 are complete. All claims have been setup for debt collection through IRS offsets. One producer has entered into a repayment schedule.
1991 Livestock Emergency Feed Program #03099-159-TE*	1/7/93	225,293 (75,021)	0	The audit has seven recommendations of which six are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Arkansas Emergency Conservation Program #03099-160-TE*	5/14/93	41,160 ⁷ (289)	0	The audit has ten recommendations of which nine are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Marketing Practices of a Peanut Handler #03099-165-TE*	12/9/93	1,250,731 (132,689)	0	The audit has two recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
1991 Livestock Emergency Feed Program, TX #03099-166-TE*	9/16/93	515,937 (362,090)	0	The audit has three recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.

⁷ This amount reflects a decrease of \$9,009 due to an appeal reduction.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Louisiana Producer's Compliance with Maximum Payment Limitation Rules for 1992 and 1993 #03099-168-TE*	8/31/94	328,286 (294,769)	136,804 (0)	The audit has two recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Peanut Handler Operations in Gaines County, TX #03099-171-TE*	9/24/94	222,528 ⁸ (112,915)	0	The audit has five recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
1993 Crop Disaster Payments in Grand Forks County, ND #03099-194-KC*	3/29/95	226,828 ⁹ (86,185)	0	The audit has three recommendations of which two are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
1988 Livestock Feed Program, TX #03600-11-TE*	6/21/90	613,943 ¹⁰ (16,866)	0	The audit has 13 recommendations of which 11 are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
1989 Payment Limitation Operations, AR #03600-13-KC*	9/30/91	3,611,182 (380,002)	0	The audit has three recommendations of which one is complete. Completion of bankruptcy proceedings is delaying final action.

⁸This amount reflects a decrease of \$4,561 due to documentation by the agency.

⁹This amount reflects an increase of \$3,216 discovered by the agency.

¹⁰This amount reflects an increase of \$119,092 discovered by the agency.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
1989 Disaster Assistance Program, Frio County, TX #03600-18-TE*	5/22/91	131,077 ¹¹ (82,585)	0	The audit has three recommendations of which two are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
1991 Disaster Assistance Program, MI #03600-22-CH*	10/22/94	88,520 (41,872)	0	The audit has two recommendations of which one is complete. Promissory notes have been established for the two remaining producers with outstanding claims. FSA is working with OGC to enforce payment on one note.
Disaster Assistance Program, Canyon County, ID #03600-27-SF*	1/24/95	34,984 (21,793)	0	The audit has two recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, 1993 Nonprogram Crops, Malheur County, OR #03600-28-SF*	4/1/95	719,398 ¹² (85,660)	0	The audit has seven recommendations of which five are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Comanche County, TX #03600-40-TE*	9/30/94	139,868 (40,948)	0	The audit has two recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.

¹¹This amount reflects an increase of \$17,647 discovered by the agency.

¹²This amount reflects an increase of \$9,620 discovered by the agency.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Disaster Assistance Program, Eastland County, TX #03600-41-TE*	9/30/94	31,199 (9,659)	0	The audit has two recommendations of which one is complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Zavala County, TX #03600-42-TE*	9/30/94	294,774 (40,027)	0	The audit has three recommendations of which two are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Bradley County, AR #03600-44-TE*	3/31/95	2,025,795 (190,193)	0	The audit has seven recommendations of which five are complete. Producers have entered into repayment schedules to liquidate outstanding claims.
Disaster Assistance Program, Lincoln County, AR #03600-46-TE*	3/31/95	950,907 (42,657)	0	The audit has six recommendations of which three are complete. Producers have entered into repayment schedules to liquidate outstanding claims.
Disaster Assistance Program, Atascosa County, TX #03600-47-TE*	3/29/95	355,866 (104,830)	0	The audit has four recommendations of which three are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.
Dairy Refund Payment Program in NM #03601-6-TE	1/30/96	271,526 (30,329)	0	The audit has three recommendations of which two are complete. Pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Subsequent Farmer Program Loans to Net Recovery Buyout Borrowers #04600-11-TE*	3/31/92	6,510 (3,322)	0	The audit has five recommendations of which four are complete. Producers have entered into repayment schedules to liquidate outstanding claims.
Publication of Guidance: The following eleven audits remain open pending publication of guidance, e.g., handbooks, regulations, Final Rules, and policy.				
Commodity Credit Corporation's Fiscal Years 1992 and 1991 Financial Statements #03600-14-FM*	8/2/93	0	0	The audit has 20 recommendations of which 19 are complete. Final action is delayed pending development of PCIMS accounting handbooks and implementation of CORE accounting system to replace CCC's Financial Management Accounting System, which is scheduled for December 1998.
Management Issues Identified During Audit of CCC's FY 1993 & 1992 Comparative Financial Statements #03600-18-FM*	7/12/94	0	1,905 (0)	The audit has 22 recommendations of which 18 are complete. Final action is delayed pending development of PCIMS accounting handbooks and implementation of CORE accounting system to replace CCC's Financial Management Accounting System, which is scheduled for December 1998.
Evaluation of Loan Resolution Task Force Operations #03801-5-TE	3/29/96	0	0	The audit has twelve recommendations of which eleven are complete. Final action is delayed pending revisions of the debt settlement procedures and instructions to request applicants and obligors to attach listings of all assets to Form FmHA 1956-1 and revise the form. Final action is expected to be completed by December 31, 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Indian Tribal Land Acquisition Program, Loan Approval and Servicing, Washington, DC #04099-122-KC*	10/16/92	9,630,000 (9,630,000)	0	The audit has seven recommendations of which two are complete. Final action is pending publication of revisions to 7 Code of Federal Regulation (CFR) Part 1822 Subpart N (Instruction 442.11). A request for a change in management decision has been forwarded to the OIG. The Agency anticipates the final rule will be published 18 months from receipt of OIG's response.
Interest Accrual on Guaranteed Loans Delinquent Over 90 Days #04099-143-TE*	9/26/89	0	8,378,513 (0)	The audit has three recommendations of which two are complete. Final action is delayed pending publication of regulations requiring the lender to reach a decision concerning liquidation within 90 days of default. Publication of the Final Rule is expected to be completed in December 31, 1998.
Farm Ownership Loans for Socially Disadvantaged Persons #04099-184-TE*	3/31/93	0	0	The audit has five recommendations of which four are complete. Regulations are being revised to include the provisions of the delegation to the Secretary to establish an Outreach Program. Due to a transition in personnel, the implementation date will be determined as new regulations are revised and published.
Managing Debts Requiring Litigation, Washington, DC #04099-334-AT*	01/27/95	0	0	The audit has five recommendations of which three are complete. Final action is delayed pending revision of applicable procedural handbooks. A request for a change in management decision has been forwarded to the OIG. Estimated completion date is September 30, 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Guaranteed Loan Interest Rate Buydown Program #04600-7-AT*	3/29/90	0	0	The audit has nine recommendations of which six are complete. Final action was delayed pending the development and implementation of regulations that require lenders to submit appropriated documents for approval, establish procedures to review of cash flow items, and require lenders to certify before loan closing that off-farm income, farm debts, and FSA payments were verified and crop yields were based on 5-year average yields for other sources. The OIG is reconsidering an internal policy change based on a request to allow an Interim Rule to meet the requirements of the management decision instead of a Final Rule publication in the Federal Register.
Debt Restructuring for Delinquent Borrowers, Implementation of Primary Loan Service Programs #04673-7-SF	6/27/91	0	0	The audit has 26 recommendations of which 25 are complete. Final action is delayed pending issuance of instructions clarifying procedures for completing the Shared Appreciation Agreement. These instructions have been prepared and are in the clearance process. FSA expects to issue the instructions by December 31, 1997.
CCC Management Issues for FY 1994 and 1993 Comparative Financial Statements #06401-2-FM*	3/12/96	0	0	The audit has 20 recommendations of which 17 are complete. Final action is delayed pending reconciliation of the check and certificate accounting systems, development and implementation of automated accounting systems, and documentation of related procedures. Final action is expected to be completed in September 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Administrative Appeals, Washington, D.C. #46001-1-AT*	9/29/95	0	0	The audit has four recommendations of which three are complete. Final action is delayed pending publication of the Final Rule governing the USDA and FSA administrative appeals process. The Final Rule is expected to be published in April 1998, after which FSA will conduct the field office training.
Closure Documentation: The following audits are open pending receipt of closure documentation.				
Evaluation of Direct and Indirect Costs and Rates for CY Ended 12/31/91, Information Management Consultants, Inc. #03545-23-HY	10/13/94	0	0	The audit has one recommendation which remains open. Agency will negotiate a final settlement on questioned cost of 1.5 percent the contractor claimed on G&A cost pool.
Payment Limitation for Hughes and Sully County Entities Huron, SD #03600-27-KC*	6/11/93	332,850 (0)	0	The audit has four recommendations of which two are complete. Final action is delayed pending the outcome of lawsuits the members of the partnership have filed against each other as a result of the audit findings. Additional monetary amounts may be associated with this audit; however, the value of these amounts cannot be determined because the corrective actions taken by FSA will hinge on the court's determinations in the legal proceedings. Estimated completion date is September 30, 2003.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Emergency Loan Program Eligibility Determinations in WI #04600-46-CH*	12/9/94	56,290 (31,420)	0	The audit has one recommendation which remains open. Final action is delayed pending OIG determination for a change in management decision. Estimated completion date is September 30, 2003,
Farmer Program Guaranteed Loans #04665-2-TE*	9/29/88	0	483,405,395 (209,700,000)	The audit has 17 recommendations of which 15 are complete. Final action is delayed pending development of a system to accommodate the changes originally planned for the completion of computerized controls of the agency's Guaranteed Loan Accounting system. The OIG is reconsidering an internal policy change based on a request to allow an Interim Rule to meet the requirements of the management decision instead of a Final Rule publication in the Federal Register.
FSA Subtotal		27,345,841 (13,871,460)	492,107,363 (209,700,000)	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FOREIGN AGRICULTURAL SERVICE				
Judicial Action by the Department of Justice (DOJ): The following audit is open pending DOJ's decision on whether to prosecute.				
Commodity Pricing Review #07001-2-HY*	3/25/91	54,788,087 ¹³ (27,397,274)	0	The audit has 24 recommendations of which 23 are complete. Final action is delayed due to the evidence developed by OIG during the investigation which was provided to the Fraud Section of the DOJ in January 1996. DOJ has yet to decide whether they will prosecute the exporter. Administrative action by the Commodity Credit Corporation (CCC) cannot be taken until DOJ formally declines to do so. If DOJ declines to prosecute, CCC will immediately pursue administrative action, including recovery of the value of the after sales services. Estimated completion date is September 30, 1998.

¹³This amount reflects a decrease of \$9,097,551 due to documentation from the agency.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Legal Opinion by the Office of the General Counsel (OGC): The following two audits are open pending receipt of a formal legal opinion.				
International Training Division #44010-3-HY*	9/29/89	0	0	The audit has ten recommendations of which nine are complete. Final action is delayed until receipt of OGC's opinion on expired Office of International Cooperation and Development (OICD) accounts in Treasury's appropriation accounts that show negative cash balances due to uncollectible accounts receivable. Estimated completion date is September 30, 1998.
Financial Management System #44060-1-HY*	7/13/90	0	0	The audit has 17 recommendations of which 15 are complete. Final action is delayed until receipt of OGC's opinion on expired OICD accounts in Treasury's appropriation accounts that show negative cash balances due to uncollectible accounts receivable. Estimated completion date is September 30, 1998.
FAS Subtotal		54,788,087 (27,397,274)	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
RISK MANAGEMENT AGENCY				
Pending Receipt of Documentation for Collections: The following four audits are pending full disposition of collection costs.				
Reinsurance Operations, Mississippi #05099-11-AT*	3/31/88	260,133 ¹⁴ (27,600)	12,680,562 (0)	The audit has six recommendations of which five are complete. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. Estimated completion date is June 15, 2000.
Soybean Losses in three Arkansas Counties for 1988 and 1989 #05099-55-TE*	7/16/92	50,000 (41,500)	0	The audit has three recommendations of which two are complete. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. Estimated completion date is June 15, 2000.

¹⁴ This amount reflects a decrease of \$561,971 due to documentation from the agency.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
1991 Nonstandard Underwriting Classification System, AR #05099-56-TE*	3/31/93	214,814 (94,741)	0	The audit has five recommendations of which four are complete. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. Estimated completion date is December 1998.
1989 Corn and Soybean Contract Crop Hail Management, Vernon County, MO #05099-105-KC*	3/31/92	481,921 (203,737)	584,304 (329,702)	The audit has four recommendations of which one is complete. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs and a need to review extensively the accounting records to reflect corrected liabilities and premiums. Estimated completion date is June 1999.
Establishment of an Error Rate: The following two audits are open pending methodology for verification on claims.				
1988 Crop Insurance Contracts With Claims #05600-1-TE*	9/29/89	0	0	The audit has 19 recommendations of which 18 are complete. Final action is delayed because the reviews did not support the establishment of the error rate. Requirement that the production, acreage, and calculation arriving at the actual production history (APH) be verified on every claim is unreasonable. Discussions with the OIG in the future will address APH Self Reviews and a sampling plan for verification of APH on claims. Estimated completion date is December 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FCIC Crop Year 1991 Claims #05600-4-TE*	1/29/96	0	0	The audit has 16 recommendations of which 9 are complete. Final action is delayed due to implementation of administrative actions necessary to meet the management decisions. Requirement that the production, acreage, and calculation arriving at the APH be verified on every claim is unreasonable. Discussions with the OIG in the future will address APH Self Reviews and a sampling plan for verification of APH on claims. Estimated completion date is December 1998.
Department of Justice (DOJ) Action: This following audit is open pending concurrence by DOJ.				
FCIC Response - Premium Tax Issues #06401-4-FM	3/1/96	0	0	The audit has two recommendations which remain open. Final action is waiting on a reply from the OGC regarding the FCIC Premium Tax Issue. OGC submitted a request to the DOJ on October 15, 1996 for concurrence in the writeoff of potential State debt in relation to FCIC's payment of State Premium Tax. Estimated completion date is December 1998.
RMA Subtotal		1,006,868 (367,578)	13,264,866 (329,702)	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
CENTER FOR NUTRITION, POLICY AND PROMOTION				
Evaluation of the Thrifty Food Plan #02801-1-AT*	12/5/95	0	0	The audit has one recommendation which remain open. The Thrifty Food Plan has been developed and is pending Department clearance. Completion is scheduled for the fourth quarter of Calendar Year 1997.
CNPP Subtotal		0	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FOOD AND CONSUMER SERVICE				
<u>COLLECTION OF DISALLOWED COSTS</u>				
The following 5 audits have completed all administrative and corrective actions and a repayment schedule has been established. Final action is contingent upon final payment:				
National School Lunch Program - Fannindel Independent School District #27023-255-TE*	12/30/93	180,106 (116,004)	0	The audit has 16 recommendations of which 10 are complete. All administrative and corrective actions are complete and a repayment schedule has been established. Final action is contingent upon final payment scheduled for May 31, 1999.
Child Nutrition Program Operations, Wewoka Public Schools #27023-256-TE*	12/14/94	522,354 (0)	0	The audit has 21 recommendations of which three are complete. All administrative and corrective actions are complete and a repayment schedule has been established. Final action is contingent upon verification of the source of payment.
Nutrition Assistance Program Block Grant, Puerto Rico #27080-3-NY*	7/31/87	298,370 (160,000)	0	The audit has five recommendations of which four are complete. Final action is contingent upon the collection of disallowed costs.
State of Connecticut #50020-17-HY	3/27/97	36,675 (36,675)	0	The audit has 10 recommendations and all remain open. Final action is contingent upon collection of disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
State of Maryland #50568-136-HY*	10/21/94	14,991,026 ¹⁵ (2,998,205)	0	The audit has seven recommendations of which six are complete. All administrative and corrective actions are complete and a repayment schedule has been established. Final action is contingent upon final payment scheduled for 1998.
<u>PUBLICATION OF REGULATIONS</u>				
The following 7 audits are without final action contingent upon publication of regulations for agency programs.				
Debt Management Initiatives #27070-1-AT*	2/5/91	0	0	The audit has 15 recommendations of which 12 are complete. Final action is contingent upon the Agency's promulgation of final food stamp recipient claims regulations, and providing guidance to State Agencies (SA's) for aging accounts.
Issues Identified During Audit of FNS' Fiscal Year 1992 Financial Statements Requiring Management Action #27070-6-HY*	2/28/94	0	154,555,957 (154,555,957)	The audit has nine recommendations of which seven are complete. Final action is dependent upon the publication of final food stamp recipient claims regulations.

¹⁵This amount reflects an increase of \$14,991,026 discovered by the agency.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Management Issues Identified During FCS' Fiscal Year 1993 Financial Statements #27070-9-HY*	10/26/94	0	0	The audit has 10 recommendations of which seven are complete. Final action is pending the promulgation of food stamp recipient claims regulations.
Day Care Homes - Nationwide #27600-6-AT*	3/31/95	0	0	The audit has 15 recommendations of which five are complete. Final action is contingent upon publication of regulations to streamline the operation of the Program at the State and local levels, improve program integrity, and strengthen oversight control. Final action is expected by FY 1999.
Disqualified Recipient System #27601-3-CH	3/22/96	0	0	The audit has two recommendations and both remain open. Final action is contingent upon the publication of regulations to require all SAs to perform comparisons of their data bases to the information contained in the national data base and use the data. Final action is also contingent upon FCS' study of the cost effectiveness of this effort. Final action is expected by FY 2001.
Disqualification of Vendors from FCS Programs #27601-4-CH*	9/12/95	0	0	The audit has 5 recommendations of which 1 is complete. Final action is contingent upon issuance of final rules for the Special Supplemental Food Program for Women, Infants and Children as well as a policy memorandum regarding transfer of ownership and sale of store issues that is currently being developed with the Office of the General Counsel. Final action is expected by October 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Special Supplemental Food Program for Women, Infants and Children, Vendor Monitoring and Food Instrument Delivery System #27661-2-CH*	6/15/88	0	0	The audit has 38 recommendations of which 16 are complete. Final action is contingent upon publication of the Food Delivery Regulation. Final action is expected in the Spring of 1999.
<u>STATE ACTION</u>				
The following 3 audits require action by the State Agencies in coordination with FCS.				
Angela's Angels Preschool, Inc. #27010-2-SF	8/7/96	0	0	The audit has two recommendations and both remain open. Final action is contingent upon the issuance of a sponsor termination notice by the SA. Final action is expected in FY 1998.
Food Stamp Program Casefile Documentation in New York City #27016-5-HY*	3/10/95	0	0	The audit has 11 recommendations and all remain open. FCS suspended a portion of the State's administrative funds on August 9, 1996, due to the State's delay in implementing corrective action. Final action is expected in January 1998.
Security and Control Over Non-Federal ADP Systems #27099-2-FM*	9/25/96	0	0	The audit has 14 recommendations and all remain open. Final action is contingent upon the receipt of documentation that the State has completed all corrective action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<u>AGENCY ACTION</u>				
The following 7 audits require action by the Agency.				
FCS Fiscal Year 1991 Financial Statements #27070-2-HY*	8/10/92	0	0	The audit has seven recommendations of which five are complete. Final action is contingent upon implementation of the Agency's plan to improve food stamp recipient claims reporting in all States.
Workload and Security at the Minneapolis Computer Support Center #27099-1-FM	9/29/95	0	0	The audit has 42 recommendations of which 39 are complete. Final action is contingent upon FCS' evaluation on the methods for consolidating the Minneapolis Computer Support Center (MCSC) with the National Information Technology Center or another location at the end of the MCSC's equipment life cycle and publishing notices regarding legal authorities for information access in the Store Tracking and Redemption Subsystem database. Final action is expected by FY 1999.
FCS' Financial Statement for FY 1994 #27401-1-HY*	7/10/95	0	0	The audit has 20 recommendations of which 12 are complete. Final action is contingent upon the results of OIG's review of the FY 1997 financial statements.
Management Issues Identified During Audit of FCS' FY 1994 Financial Statements #27401-2-HY	12/7/95	0	0	The audit has 22 recommendations of which 14 are complete. Final action is pending the establishment of internal controls to ensure that property purchased is correctly accounted for.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FY 1995 Financial Statements #27401-4-HY	7/19/96	0	0	The audit has 26 recommendations of which 12 are complete. Final action is contingent upon OIG's review of the FY 1997 Financial Statement.
Error Rate Reduction Activities #27601-1-AT	12/20/95	0	0	The audit has 12 recommendations of which 2 are complete. Final action is contingent upon the completion of FCS providing stronger incentives to the States, increasing eligibility worker staffing levels, greater Agency involvement in State corrective action planning and monitoring, and sharing/coordinating corrective action initiatives with the Department of Health and Human Services where public assistance programs administered by States share common problems. Final action is expected by FY 1998.
Evaluation of Status of Electronic Benefits Transfer Developments #27801-1-HY*	5/30/95	0	0	The audit has one recommendation and it remains open. Final action is contingent upon completion of an Electronic Benefit Transfer Exception Reporting System (anticipated being operational by the end of Calendar Year 1997).
FCS Subtotal		16,028,531 (3,310,884)	154,555,957 (154,555,957)	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FOOD SAFETY AND INSPECTION SERVICE				
Publication of Rules and Regulations: Final action on the following two audits is pending the publication of rules and regulations by the agency.				
Exporting Procedures #24097-1-AT*	2/5/87	0	0	The audit has one recommendation and it remains open. Publication of regulations has delayed final action. After a test period, the Finished Products Standards (FPS) have been applied to import reinspection procedures and the new standard will be published early next quarter in the import inspection manual of procedures. The new standard applies to all poultry.
Labeling Policies and Approvals #24099-5-AT*	6/26/90	0	0	The audit has 18 recommendations of which 17 are complete. Final action is delayed pending publication of rules on health-related claims. Rules on health-related claims were to be published during December 1996. However, the health claims docket is still being reevaluated to ascertain if there are differences between Food and Drug Administration and FSIS.
FSIS Subtotal		0	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
AGRICULTURAL MARKETING SERVICE				
Development of Automated System: This audit is open pending selection of automated system.				
Financial Review at Federal Inspection Offices #01061-12-AT*	4/20/92	0	251,573 (251,573)	The audit has three recommendations of which one is complete. Plans for automating the remaining systems have been put on hold while the Agency explores a state-of-the-art, comprehensive automated system which is delaying final action. The anticipated time frame for completion of system is FY 2002.
AMS Subtotal		0	251,573 (251,573)	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
ANIMAL AND PLANT HEALTH INSPECTION SERVICE				
Collection of Disallowed Costs: The following four audits are pending final action until collection of disallowed costs is complete.				
Administrative Costs, 1989 Medfly Eradication Project, CA #33099-8-SF*	3/31/92	1,643,599 (1,643,599)	0	The audit has 19 recommendations of which 13 are complete. The Agency has been unable to recover unsupported helicopter ferrying costs, landing fees, insecticide applications, transportation of bait, employment of flag person, and an overpayment to a rental car firm. The inability to collect the disallowed costs is delaying final action. The anticipated time frame for completion is the first quarter of FY 1999.
Puerto Rico Department of Agriculture, A-128, FY Ended June 30, 1992 #50018-1-HY*	10/25/95	140,047 (140,047)	0	The audit has five recommendations of which four are complete. Final action is delayed until the Puerto Rico Department of Agriculture reimburses the balance owed. The anticipated time frame for completion is FY 1999.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Puerto Rico Department of Agriculture, A-128, FY Ended June 30, 1993 #50018-2-HY	2/12/96	1,734,061 (1,734,061)	0	The audit has eight recommendations of which seven are complete. Final action is delayed until the Puerto Rico Department of Agriculture reimburses the balance owed arising from drawdowns exceeding expenditures under a cooperative agreement. The anticipated time frame for completion is FY 1999.
Puerto Rico Department of Agriculture, A-128, FY Ended June 30, 1991 #50566-45-HY	1/26/95	27,300 (27,300)	0	The audit has six recommendations of which five are complete. Final action is delayed until the Puerto Rico Department of Agriculture reimburses the funds for disallowed costs under three cooperative agreements. The anticipated time frame for completion is FY 1999.
Internal Site Reviews: The following audit is pending final action until completion of internal assessments of function.				
Pest Exclusion Activities #33004-1-HY	6/29/90	0	0	The audit has ten recommendations of which eight are complete. Final action is delayed due to review of its overtime system and directives. The anticipated time frame for final action is the first quarter of FY1999 due to the fact that continuing internal site reviews of overtime assignments are still being conducted.
APHIS Subtotal		3,545,007 (3,545,007)	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FOREST SERVICE				
<p>Loss of Key Personnel: The following ten audits remain open due to transfers, downsizing, or reorganization within the Forest Service headquarters and/or field offices. The Forest Service will fill vacant positions as agency funds are available. However, where funds are not available, the Forest Service will make the necessary realignments or seek change in management decisions where applicable.</p> <p>The FS, OIG, and OCFO are currently working together in a taskforce approach to improve FS accounting processes and systems. The FS plans to develop one comprehensive financial health plan that will address all underlying conditions related to open audit recommendations in the Financial Statements Audits and Management Report listed from FY 1991 through FY 1994. The Forest Service will revise its request for change in management decision based on corrective actions specified in the financial health plan.</p>				
Rocky Mountain Region Audit of ADP Information Systems Development #08002-1-FM	7/24/96	0	0	The audit has eight recommendations of which four are complete. Projected completion date is December 31, 1997.
Fiscal Year 1991 Financial Statements #08099-37-AT*	8/24/92	0	0	The audit has nine recommendations of which six are complete. Projected completion date is October 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Fiscal Year 1992 Financial Statements #08099-42-AT*	8/3/93	0	0	The audit has ten recommendations of which seven are complete. Projected completion date is October 1998.
FS Management Report #08099-47-AT*	12/15/93	0	0	The audit has 12 recommendations of which six are complete. Projected completion date is October 1998.
Fiscal Year 1993 Financial Statements #08099-49-AT*	6/10/94	0	0	The audit has five recommendations of which four are complete. Projected completion date is October 1998.
Fiscal Year 1994 Financial Statements #08401-1-AT*	6/20/95	0	0	The audit has five recommendations of which three are complete. Projected completion date is October 1998.
Timber Management Antitrust Controls #08099-119-SF*	8/28/91	0	0	The audit has eight recommendations of which one is complete. Conversion to the IBM computer system from the Data General computer system, and the development of the new Timber Information System will further delay implementation of the bid monitoring system. Implementation of an operational system is expected in 1-2 years.
FS Timber Sale Cruising Controls #08099-130-SF*	9/30/93	0	0	The audit has 15 recommendations and all remain open. Discussions are being held to determine if proposed new standards can be met. If standards cannot be met, FS will request a revised management decision. Projected completion date is September 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Controls Over Research Services Provided to External and Forest Service Clients #08601-7-SF*	5/23/95	0	5,024,245 (1,569,550)	The audit has nine recommendations of which four are complete. A concentrated effort is underway to revise the procedures for determining indirect cost rates and for establishing an annual calculation method for all cooperative and reimbursable work. Once this process is complete, a manual amendment will be written and issued. Projected completion date is December 1998.
State of Florida for the Fiscal Year Ended 1991 #50568-248-AT*	6/30/91	0	0	The audit has two recommendations of which one is complete. The vacant position has been filled and all cooperative law enforcement agreements will be revised to comply with the Drug-Free Workplace Act effective FY 1998.
Publication of Guidance: The following two audits remain open pending publication of guidance, e.g., final rule or directive.				
Stumpage Rate Adjustments on Timber Sales #08099-122-SF*	9/30/91	0	0	The audit has five recommendations of which two are complete. The FS published a proposed rule for Stumpage Rate Adjustments. Final action is pending release of the final rule for publication by the Department. Projected completion date is October 1998.
Financial Management of the Working Capital Fund-Fleet Management #08601-13-SF	8/2/96	0	24,324,444 (35,314)	The audit has 29 recommendations of which 12 are complete. A draft interim directive is awaiting approval. Approval is expected by March 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Closure documentation: Final action is complete for the following two audits. However, receipt of final action documentation is delaying closure.				
National Fire Protection Association #50022-1-HY *	5/5/95	6,992 (0)	0	The audit has eight recommendations of which seven are complete. Projected completion date is March 1998.
Influence of Interest on Timber Sales Management #08099-146-SF*	5/5/94	0	0	The audit has 10 recommendations of which four are complete. FS will summarize actions and recommend closure of this audit by January 1998.
Other				
Planned FY 1995 Road Closures Sisters Ranger District #08099-2-SF	8/28/96	0	0	The audit has one recommendation and it remains open. Final action is delayed pending receipt of public comment on the Environmental Assessment and available resources to implement road closures. Projected date of completion is December 1997.
Hazardous Waste at Active or Abandoned Mines #08601-1-AT	3/29/96	0	1,950,000 (275,000)	The audit has 12 recommendations of which eight are complete. Final action is delayed due to the complex coordination necessary with the Department of Interior, Environmental Protection Agency, and State governments. Projected completion date is October 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Land Purchase Program #08601-11-SF*	11/22/95	0	0	The audit has three recommendations of which two are complete. Final action is delayed pending the completion of remediation by the Corps of Engineers. Projected completion date is October 1998.
FS Subtotal		6,992 (0)	31,298,689 (1,879,864)	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
NATURAL RESOURCES CONSERVATION SERVICE				
Change in Management Decision: The following three audits remain open pending requests for change in management decisions.				
Great Plains Conservation Program #10099-2-KC*	7/6/95	0	0	The audit has three recommendations of which one is complete. NRCs will propose a revised agency management decision to support the development of a new progress reporting system in lieu of updating the outdated system. Late publication of a final rule governing the Environmental Quality Incentives Program also contributed to the delay. Projected completion date is 2nd quarter of FY 1998.
Security Over Selected Distributed Minicomputer Systems #10099-3-FM*	9/30/92	0	0	The audit has five recommendations of which two are complete. NRCs will propose a revised agency management decision to support the development of a new computer system since the audited system is now obsolete. Agency reorganization and personnel turnover also contributed to the delay. Projected completion date is 2nd quarter FY 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Alternative Conservation Systems #10099-14-KC*	3/31/94	0	0	The audit has nine recommendations and all remain open. NRCS will propose a revised agency management decision because it is no longer practical to identify all conservation plans that contain ACS allowing soil loss >4T. Projected completion date is 2nd quarter FY 1998.
Closure Documentation: The following two audits are open pending receipt of closure documentation.				
Rescheduled Status Reviews #10099-12-KC*	7/27/93	0	5,564 (0)	The audit has seven recommendations of which four are complete. Reorganizations and changes in staff contributed to the difficulty of providing adequate closure documentation. Projected completion date is 2nd quarter FY 1998.
Conservation Compliance Provisions #50600-3-KC*	8/19/92	0	20,011,833 (0)	The audit has 21 recommendations of which 20 are complete. This audit was re-opened in December 1995. NRCS will submit documentation verifying that national policy and the current National Food Security Act Manual were revised in accordance with the management decision. Projected completion date is 2nd quarter 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Other				
Colorado River Salinity Control Program #50600-11-KC	3/31/95	72,762 (72,762)	0	The audit has ten recommendations of which two are complete. Final action is delayed pending the establishment of revised land eligibility criteria. Projected completion date is 2nd quarter FY 1998.
NRCS Subtotal		72,762 (72,762)	20,017,397 (0)	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
AGRICULTURAL RESEARCH SERVICE				
The Oceanic Institute, Waimanalo, Hawaii #50099-1-SF	8/17/95	358,430 ¹⁶ (228,545)	0	The audit has 14 recommendations of which four are complete. Final action is contingent upon final payment, which is scheduled for May 2003.
ARS Subtotal		358,430 (228,545)	0	

¹⁶This amount reflects an increase of \$4,167 discovered by the agency.

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
COOPERATIVE STATE RESEARCH, EDUCATION AND EXTENSION SERVICE				
Capacity Building Grants Program #13011-1-AT*	9/29/95	51,835 (51,835)	2,034,076 (0)	The audit has eleven recommendations of which six are complete. Final action is delayed due to programmatic requirements set out in the long-term strategic plan and revisions of applicable guidelines.
Small Business Innovation Research Program #13099-1-KC*	1/24/92	76,811 (76,811)	0	The audit has nine recommendations of which seven are complete. Since the recipient has not made payment, the Agency referred the delinquent account to a collection contractor, credit bureaus, and the Internal Revenue Service. The National Finance Center is in the process of referring this case to the Department of Treasury Offset Program. Collection of the disallowed costs is delaying final action.
The Oceanic Institute, Waimanalo, Hawaii #50099-1-SF*	8/17/95	614,046 ¹⁷ (391,557)	0	The audit has fifteen recommendations of which eight are complete. Final action is contingent upon final payment, which is scheduled for May 2003.
CSREES Subtotal		742,692 (520,203)	2,034,076 (0)	

¹⁷ This amount reflects an increase of \$264,696 discovered by the agency.

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
RURAL BUSINESS - COOPERATIVE SERVICE				
Business and Industrial Loan Program, Restructuring Loan Processing and Servicing Activities #32600-2-SF*	2/27/95	0	0	The audit has five recommendations of which three are complete. The agency has requested a change in the management decisions based on new developments and observations.
RBS Subtotal		0	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
RURAL HOUSING SERVICE				
Awaiting receipt of documentation				
Rural Rental Housing Program, Whistleblower Complaint, San Juan, Puerto Rico #04099-1-HY*	11/7/95	0	0	The audit has 20 recommendations of which 18 are open. Final action is pending receipt of documentation verifying that the borrowers have fulfilled the terms of the settlement agreement and a response from OIG on the agency's decision to request quarterly operating reports instead of monthly report from the borrower.
Building Venture and Associates, Port Henry Apartments and Associates, and Elizabethtown Enterprises and Associates Johnstown, New York #04099-2-HY*	5/25/95	116,160 (116,160)	0	The audit has 17 recommendations and all remain open. The State Office did not have documentation available reflecting the corrective actions. Therefore, the gathering and submission of this information is delaying final action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Commercial Township Housing Preservation Grant, Commercial Township, New Jersey #04099-75-HY*	3/17/94	100,000 (96,233)	0	The audit has 14 recommendations of which six are complete. The Agency and the Township have signed a settlement agreement. The State Office is in the process of obtaining a copy of this document.
Paradise Mills Estate, Virgin Islands #04099-79-HY*	4/9/92	0	249,327 (9,805)	The audit has 15 recommendations of which nine are complete. The agency has submitted correspondence to OCFO for final action determination. However, based on the documentation submitted, OCFO has drafted a response requesting additional documentation from the agency.
Rural Rental Housing Cost Certification for a Borrower With an Identity of Interest, Louisiana #04099-187-TE*	11/3/92	56,888 (56,888)	0	The audit has five recommendations of which three are complete. After further review of information, the agency is considering a request for a change in the management decision for both open recommendations. Final action is pending submission of documentation supporting the request.
Implementation of automated systems and software				
Implementation of Nine Point Credit Management Program #04006-2-AT*	8/10/88	0	0	The audit has 24 recommendations of which 21 are complete. Final action is pending software enhancements/modifications to the Dedicated Loan Origination and Servicing System.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Collection Systems and Other Selected Areas #04099-72-FM*	9/28/90	313 (0)	254,273 (0)	The audit has 12 recommendations of which 10 are complete. The agency has initiated software development to report income from sales of acquired property to the Internal Review Service. The software development is scheduled to be completed by FY 1999.
Evaluation of Selected Information Resources Management and Other Procurement #04099-87-FM*	9/30/91	0	2,129,250 (0)	The audit has 13 recommendations of which 12 are complete. The Secretary has transferred responsibility for technology development and support to the USDA CIO as a part of his Administrative Convergence initiative. This initiative impacts the development of an Information System Plan, and no further effort will be expended on this effort until the technology issues related to Administrative Convergence are resolved.
Financial Statement Audit, FY 1991 Management Issues #04600-12-FM*	9/30/92	0	0	The audit has 11 recommendations of which 10 are complete. The Secretary has transferred responsibility for technology development and support to the USDA CIO as a part of his Administrative Convergence initiative. This initiative impacts the development of an Information System Plan, and no further effort will be expended on this effort until the technology issues related to Administrative Convergence are resolved.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Management Issues Identified During the Audit of FmHA's FY 1992 Financial Statements #04600-17-FM*	2/7/94	0	0	The audit has 18 recommendations of which 17 are complete. Final action is pending development of proprietary and budgetary accounts to meet Standard General Ledger requirements.
FmHA/RDA's Consolidated Financial Statements for FY's 1993 and 1992 #04600-19-FM*	3/1/94	0	0	The audit has six recommendations of which three are complete. The mission area plans to develop and document high and intermediate control objectives and techniques in an integrated, top-down, risk-oriented framework by Fall 1997. Final action is delayed due to software development and limited resources.
Nationwide Review of Selected Program Areas #04669-2-FM*	9/29/89	0	1,597,300 (1,056,000)	The audit has 12 recommendations of which 11 are complete. A contract modification has been submitted to the DLOS system contractor. The completion date will be determined based on the contractor's proposal.
Development of procedures and regulations				
Rural Rental Housing Program Incentives to Avert Prepayment #04099-1-KC*	6/22/95	0	156,361 (156,361)	The audit has three recommendations of which all remain open. Final action is delayed pending revision of Agency instructions. Final rulemaking is expected in December 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Consolidated Financial Statements, FY 1994 #04400-3-FM*	3/29/95	0	0	The audit has seven recommendations of which five are complete. The agency provided OIG with draft procedures documenting the subsidy establishment and reestimation processes. OIG's review of the procedures found that additional improvements were needed. The agency's revision of the procedures and the results from a quality assurance review are delaying final action.
Controls and Security Over Remote Transaction Processing #04600-4-FM*	2/6/92	0	0	The audit has 32 recommendations of which 31 are complete. The agency is developing procedures to followup on the status of personnel clearances submitted for processing. Procedures are scheduled to be completed by February 1998.
Rural Rental Housing Program, Servicing of HUD Section 8/515 Projects, #04600-5-KC*	9/30/93	0	4,815,119 (4,815,119)	The audit has 11 recommendations of which one is complete. The publication of a final rule to implement legislative reforms is delaying final action.
Recovery of questioned or disallowed costs				
Rural Rental Housing Program Champaign, Illinois #04099-108-CH*	3/26/93	16,577 (6,740)	285,789 (134,756)	The audit has 12 recommendations of which ten are complete. Final action is delayed pending recovery of the remaining unsupported costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Rural Rental Housing Program, Ohio #04600-13-CH*	3/22/91	0	89,641 (18,706)	The audit has 13 recommendations of which 12 are complete. The management company is repaying installments on two of the five Repayment Agreements. Final payments are due December 31, 1997.
Management decision change				
Rural Rental Housing Dallas, Texas #04099-205-TE*	7/26/94	0	2,687,639 (2,687,639)	The audit has four recommendations of which one is complete. As a result of bankruptcy by the general partner, OGC and the U.S. Attorney declined to prosecute for further collection. Therefore, the agency requested a modification to the management decision.
Managing Debts Requiring Litigation #04099-334-AT*	1/27/95	0	0	The audit has five recommendations of which two are complete. The agency provided supplemental documentation to support their decision to request an amendment to the management decisions for the remaining recommendations. OIG's response to the request is delaying final action.
Rural Rental Housing Project Funding and Eligibility #04601-1-SF*	8/95	0	186,410,994 (0)	The audit has five recommendations of which three are complete. The agency has determined that a lack of resources has seriously effected the implementation of one recommendation in the audit report. OIG has agreed with the agency's observation and recommends closure. OCFO has also requested OIG to review the agency's interim final rule regarding legislative reforms. Further action by the agency is pending a response from OIG.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Housing Preservation Grant Program, Fiscal Years 1993, 1994, 1995, Woodland, California #04601-2-SF	8/14/96	18,058 (18,058)	0	The audit has two recommendations of which one is complete. OCFO has requested OIG to review the agency's action plan to recover the disallowed cost.
Cash and Debt Management Activities #04663-2-CH*	3/10/89	0	59,900,000 (55,200,000)	The audit has 35 recommendations of which 26 are complete. Final action is delayed pending OIG's review of the agency's instructions related to cost benefits when pursuing foreclosure and deficiency judgements.
Other				
Rural Rental Housing Program Operations - Brooks/Dietze Development Company, Boyne City, Michigan #04010-8-CH	3/8/96	55,133 (55,133)	0	The audit has six recommendations which are open. OIG is conducting an investigation of the audit and has asked the State Office not to take any administrative actions. The investigation is active and proceeding.
AJY Management Group, Inc., Chesterfield, Missouri #04010-9-CH*	3/14/96	42,477 (42,477)	0	The audit has four recommendations of which one is complete. The management company failed to comply with loan and workout agreements and servicing concerns. Therefore, the agency is seeking new management and ownership.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Selected Aspects of FmHA Computer Security #04099-89-FM*	3/31/94	0	0	The audit has 14 recommendations of which 12 are complete. Final action is pending completion of the contingency plans for the National Office locations; issuance of a memorandum directing the State Directors to finalize contingency plans; verification that field offices have finalized contingency plans; and completion of modifications to the contingency plan for the St. Louis offices.
Special Review, Morgantown, West Virginia #04099-90-HY*	2/8/95	0	0	The audit has 20 recommendations of which one is complete. The agency is waiting for decision from OGC on the acceleration of projects and actions to remove the borrowers as the management company.
M& R Associates, Inc., Management Operations of Rural Rental Housing Projects #04801-1-TE*	9/29/95	1,334,797 (1,334,797)	0	The audit has seven recommendations of which two are complete. The agency has requested the borrower to return disallowed cost to the reserve accounts. The borrower has not responded. Therefore, the agency has initiated servicing actions including debarment against the borrower.
Management of Selected Rural Rental Housing Operations in Texas #04801-3-TE	5/22/96	61,895 (61,257)	0	The audit has eight recommendations of which two are complete. The borrower has requested the director of the National Appeals Division (NAD) to review a hearing officer's determination which upheld the agency's decision. The agency will proceed with implementation of the recommendations based on NAD's response.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
RHS Subtotal		1,802,298 (1,787,743)	258,575,693 (64,078,386)	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
RURAL UTILITIES SERVICE				
Special Review of Complaint of REA Advances of Loan Funds for Linc Extension Contracts #09097-1-HY*	7/11/94	0	0	The audit has one recommendation which is open. Revision of the Telecommunication Program Regulation is delaying final action. The agency anticipates revisions of the regulation will be completed by October 1997.
FY 1991 Management Letter #09600-5-HQ*	4/6/92	0	0	The audit has 11 recommendations of which eight are complete. New and increased program requirements, inadequate automated systems, the loss of experienced staff and lack of budgetary resources have resulted in very little progress in updating accounting policies and procedures. However, the agency has begun efforts to modernize the legacy accounting systems. The database, infrastructure, and standards for system design through system implementation are under development. The new accounting system is planned in FY 99.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Report on the Guam Telephone Authority for the FY ended 9/30/94 #50020-3-SF*	8/14/95	0	0	The audit has 15 recommendations of which two are complete. The Authority has issued a directive and the agency is in the process of obtaining copies of these memorandums to achieve final action.
Report on the Powder Valley Water Control District - Union County, Oregon, for the FY ended October 31, 1994 #50020-17-SF	9/29/95	35,118 (35,118)	0	The audit has one recommendation which is open. Final action is pending recovery of the disallowed cost.
Guam Telephone Authority, FY 1992 #50568-543-SF*	8/17/93	0	0	The audit has nine recommendations of which seven are complete. The Authority has established the required accounting system and began partial reconciliation of data. The agency anticipates that the system will be integrated by March 1998.
Guam Telephone Authority, FY 1993 #50568-585-SF*	1/11/95	0	0	The audit has eight recommendations of which five are complete. The agency has initiated construction on a climate controlled warehouse. Corrective action documentation verifying that the warehouse construction is complete and meets the climate control standards is delaying final action.
RUS Subtotal		35,118 (35,118)	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
OFFICE OF THE CHIEF FINANCIAL OFFICER				
Departmental Regulations: Final action in the following three audits is pending issuance of departmental regulations.				
USDA FY 1995 National Finance Center General Controls Review 11401-1-FM	2/29/96	0	0	The audit has 17 recommendations of which 7 are complete. The dedication of resources to the Federal Financial Information System (FFIS) has delayed issuance of the directive for the IDMS Database files. The estimated completion date is January 1998.
USDA FY 1992 National Finance Center General Controls Review #11600-1-FM*	3/31/93	0	0	The audit has six recommendations of which five are complete. Departmental Regulation (DR) 1110-2, "Management Accountability and Control," is under revision to implement the provisions of the revised OMB Circular A-123 and incorporate the requirements of the Government Performance and Results Act. Issuance of the revised regulation is expected by January 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
USDA Management Decision and Final Action Process #50099-1-FM	1/24/96	0	0	The audit has six recommendations of which four are complete. The remaining recommendations relate to the revision of DR 1720-1. OIG terminated the audit that would have evaluated the management decision and final action process. OCFD is pursuing alternative means with OIG to resolve policy issues regarding the revision of DR 1720-1. The estimated completion date is the 2nd Quarter of FY 1998.
Inadequate Resources: Final action in the following four audits is delayed due to lack of agency resources.				
Selected Aspects of Computer Security at the National Finance Center #11099-32-FM*	9/30/92	0	0	The audit has 12 recommendations of which 11 are complete. The study of the ability to generate DDR reports under Release 12.0 of the Integrated Database Management System has been delayed due to other major projects and end of year processing. The estimated completion date is Spring 1998.
FY 1994 General Controls Audit #11600-3-FM*	3/13/95	0	0	The audit has seven recommendations of which four are complete. Limited programming resources and the commitment of resources to the FFIS are delaying final action. The estimated completion date is early FY 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Evaluation of Treasury Reconciliation Procedures #11800-1-AT*	3/31/94	0	0	The audit has nine recommendations of which eight are complete. OCFO/NFC researched unreconciled cash collections on the Standard Chart of Account Reconciliation Report 4 as of June 1997. As a result, the unreconciled collections were reduced to \$1 million. The commitment of major resources to FFIS is delaying final action. The estimated completion date is September 1998.
USDA Management Issues Identified During Audit of FY 1994 Financial Statements #50401-7-FM*	9/29/95	0	0	The audit has 11 recommendations of which 5 are complete. The devotion of resources to higher priority projects, continued negotiations among the involved parties, and the reassignment of personnel to the implementation of FFIS is delaying final action. The scheduled completion date is June 1998.
Change in Management Decision: Final action in the following two audits is pending requested changes in the management decisions.				
Use of Cooperative Agreements #50099-1-AT	11/13/95	0	0	The audit has three recommendations and all remain open. A requested change in the management decision is delaying final action. OCFO expects a response from OIG in December 1997.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Audit of the National Finance Center Cost Allocation and Billing Process #50099-2-FM	1/22/96	0	0	The audit has 19 recommendations of which 8 are complete. A requested change in the management decision is delaying final action. OCFO expects a response from OIG in December 1997.
Other: Final action in the following two audits is delayed for reasons not specified in the other categories.				
Audit of FY 1994 USDA Financial Statements #50401-4-FM*	8/23/95	0	0	The audit has two recommendations of which one is complete. OIG and OCFO mutually agreed not to develop a Performance Agreement since FFIS, when implemented, will adequately support cash suspense account data. Ensuring that the data is then timely posted to agency accounts will be resolved by implementation of the FFIS product. Final action is pending the implementation of FFIS. The estimated completion date is FY 1999.
USDA Audit of FY 1992 Financial Statements #50600-6-FM*	9/30/93	0	0	The audit has 24 recommendations of which 23 are complete. The implementation of the Information Technology Management Reform Act and creation of OCIO have effected the coordination of system reviews outlined in OMB Circular A-130 between OCFO and OCIO. OCFO is continuing discussions with OCIO to develop a strategy to enforce compliance with A-130 by USDA agencies and mission areas. OCFO estimates completion in the 3rd Quarter of FY 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
OCFO Subtotal		0	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
OFFICE OF THE CHIEF INFORMATION OFFICER				
National Computer Center General Controls Review FY 1995 #58009-1-FM	2/26/96	0	0	The audit has 11 recommendations and all remain open. A change in the management decision is delaying final action. Completion is estimated in Fall 1998.
Management and Security Over Local Area Network #58009-21-FM*	9/23/91	0	0	The audit has 29 recommendations of which 25 are complete. The Washington Service Center functions were transferred from the Office of the Chief Information Officer (OCIO) to the Office of Operations (OO) then recently back to OCIO again. OCIO is initiating new action to resolve these recommendations. Completion is estimated in Fall 1998.
General Controls at the National Computer Center #58600-2-FM*	3/29/95	0	0	The audit has 17 recommendations of which 10 are complete. Final action is delayed pending receipt of corrective action documentation from the National Information Technology Center. Completion is estimated in Summer 1998.
OCIO Subtotal		0	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
OFFICE OF HUMAN RESOURCES MANAGEMENT				
Verification of Data Input Into OCFO/NFC Payroll/Personnel System #11099-1-FM*	2/2/96	0	0	The audit has two recommendations and both remain open. Insufficient and inexperienced staff, the filling of a critical management position, and responding to an Office of Personnel Management review are delaying final action. The estimated completion date is March 1998.
Review of the National Finance Center Automated Time and Attendance System #11099-37-FM*	9/30/94	0	0	The audit has one recommendation and it remains open. A total review and reinvention of the Time and Attendance process is underway, as part of the Modernization of Administrative Processes initiative. The incorporation of post-audit reports on T&A submissions along with other improvements is delaying final action. Implementation is estimated in March 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Unemployment Compensation Program #50099-43-AT*	9/30/94	0	0	The audit has two recommendations of which one is complete. Before the remaining item can be completed, all agencies must agree to use the contractor to track and verify unemployment compensation claims. The two largest agencies, ARS and the ASCS section of FSA, are not using the services of the contractor. OHRM is recommending that Deputy Secretary Rominger require all agencies to participate. Completion is pending a decision from the Deputy Secretary requiring all agencies to participate.
HRM Subtotal		0	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
OFFICE OF OPERATIONS				
Controls and Accountability Over Office Supplies #23099-4-HY*	11/6/92	0	0	The audit has seven recommendations of which two are complete. The Office of Operations (OO) is contracting with a warehousing consultant to perform a review and analysis of the entire Landover Service Center and supply store operations. After review of the consultant's final report, OO will submit target dates for OIG's concurrence on a change in the management decision. A contracting action is expected to be awarded in the first Quarter of FY 1998.
OO Subtotal		0	0	

**AGENCY AUDITS WITHOUT FINAL ACTION
ONE YEAR FROM THE MANAGEMENT DECISION DATE
TOTALS BY MISSION AREA
(DOLLARS)**

Mission Area	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)
Farm and Foreign Agriculture	\$83,140,796 (\$41,636,312)	\$505,372,229 (\$210,029,702)
Food, Nutrition and Consumer Service	\$16,028,531 (\$3,310,884)	\$154,555,957 (\$154,555,957)
Food Safety	\$0 (\$0)	\$0 (\$0)
Marketing and Regulatory Programs	\$3,545,007 (\$3,545,007)	\$260,386 (\$251,573)
Natural Resources and Environment	\$79,754 (\$72,762)	\$51,316,086 (\$1,879,864)
Research, Education and Economics	\$1,101,122 (\$748,748)	\$2,034,076 (\$0)
Rural Development	\$1,837,416 (\$1,822,861)	\$258,575,693 (\$64,078,386)
Departmental Offices	\$0 (\$0)	\$0 (\$0)
TOTAL	\$105,732,626 (\$51,136,574)	\$972,114,427 (\$430,795,482)



